



United States  
Department of  
Agriculture

Food and  
Consumer  
Service

Mountain  
Plains  
Region

1244 Speer Blvd., Suite 903  
Denver, CO 80204-3585

Reply to SP 97-11  
Attn. of: CACFP 497  
SFSP 305

JAN 21 1997

Subject: Debarment - Sun-Diamond Growers of California

To: STATE AGENCY DIRECTORS -Colorado ED, Colorado DPHE, Colorado DHS,  
(Child Nutrition Programs) Iowa, Kansas, Missouri ED, Missouri DH,  
Montana OPI, Montana DPHHS, Nebraska ED,  
Nebraska SS, North Dakota, South Dakota,  
Utah, Wyoming ED, Wyoming DHSS

On December 18, 1996 the Agricultural Marketing Service (AMS), an agency of the Department of Agriculture, debarred Sun-Diamond Growers of California (Sun-Diamond) for a period of 3 years ending October 2, 1999. Sun-Diamond is an agricultural marketing cooperative owned by other cooperatives which grow, process, package, market, and sell dried fruits and nuts. Sun-Diamond was convicted in September 1996, in part, of making improper gifts to a former government official.

On December 10, 1996 AMS proposed for debarment certain officials and affiliates of Sun-Diamond. These are:

Diamond Growers of California (Diamond Growers)  
Diamond Walnut Growers, Inc. (Diamond Walnut)  
Sun-Maid Growers of California (Sun-Maid)  
Sunsweet Growers, Inc. (Sunsweet)  
Valley Fig Growers (Valley Fig)  
Hazelnut Growers of Oregon (Hazelnut Growers)  
Sunland Products of California (Sunland Products)

William Cuff - Diamond Walnut  
Joseph Garcia, Jr. - Sun-Maid  
Earl L. Giacolini - Sunsweet  
William Hosie - Diamond Walnut  
Harold Jackson - Sunsweet  
Barry Kriebel - Sun-Maid  
Robert McAuley - Valley Fig  
Peter Penner - Sun-Maid  
Fred Schaeffer - Sunsweet  
William Waggshauser - Diamond Walnut

William Beaton - Sun-Diamond  
Larry D. Busboom - Sun-Diamond  
Nicholas Tummer - Sun-Diamond

These actions were initiated pursuant to Federal procurement regulations and have reciprocal effect in the nonprocurement system. The proposed debarments are effective immediately and prohibit all of the listed entities and individuals from entering into, renewing, or extending any Federal nonprocurement covered transactions (those expected to equal or exceed \$100,000) or Federal procurement

transactions including FCS programs. These entities and individuals are not excused from the performance of obligations under contracts or other transactions which are in existence at this time, but are prevented from any further such contracts and transactions during the debarment period. Pursuant to the Department's suspension and debarment Regulation 7 CFR Part 3017, State and local agencies must obtain the required certification regarding a prospective participant's eligibility to enter into a covered transaction. State and local agencies may rely on the certifications unless they believe they are erroneous. In those cases, the State/local agency should consult the General Services Administration Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs. As always, if concerns still exist as to the accuracy of the certification, State Agencies should contact the regional office.

Please direct any questions to Ed Campbell at 303-844-0355.



ANN C. DEGROAT  
Regional Director  
Child Nutrition Programs